



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4179**

Introduced 1/22/2004, by Lovana Jones

**SYNOPSIS AS INTRODUCED:**

New Act  
35 ILCS 200/18-167 new

Creates the Banking Development District Act. Creates a program to encourage the establishment of banking branches in locations where there is the greatest need for banking services. Requires the State Treasurer, in consultation with the Office of Banks and Real Estate, to adopt rules that set forth criteria for the establishment of banking development districts. Provides that a municipality or a county, in conjunction with a bank, may apply to the State Treasurer to have property designated as a banking development district. Amends the Property Tax Code. Provides that a taxing district may abate a portion of the property taxes on a banking branch in an area designated as a banking development district. Places restrictions on granting an abatement to a bank that makes contributions to the Governor or the Treasurer. Effective immediately.

LRB093 18708 SJM 44437 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning banking.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Banking Development District Act.

6 Section 5. Banking development district program. There is  
7 hereby created a banking development district program, the  
8 purpose of which is to encourage the establishment of banking  
9 branches in geographic locations where there is the greatest  
10 need for banking services. The State Treasurer shall, in  
11 consultation with the Office of Banks and Real Estate, adopt  
12 rules in accordance with the Administrative Procedure Act that  
13 set forth the criteria for the establishment of banking  
14 development districts. The criteria shall include, but not be  
15 limited to, the following:

16 (1) the location, number, and proximity of sites where  
17 banking services are available within the district;

18 (2) the identification of consumer needs for banking  
19 services within the district;

20 (3) the economic viability and local credit needs of  
21 the community within the district;

22 (4) the existing commercial development within the  
23 district; and

24 (5) the impact additional banking services would have  
25 on potential economic development in the district.

26 Section 10. Definitions. As used in this Act:

27 "Improvement" does not include ordinary maintenance and  
28 repairs.

29 "Bank" means a state bank, national bank, savings bank,  
30 federal savings bank, savings and loan association, federal  
31 savings and loan association, credit union, or trust company.

1 "Local government" means a county if the proposed banking  
2 branch is in an unincorporated area or a municipality if the  
3 proposed banking branch is in an incorporated area.

4 Section 15. Application. The governing board of a local  
5 government, in conjunction with a bank, may submit an  
6 application to the State Treasurer for the designation of a  
7 banking development district. The boundaries of the proposed  
8 banking development district shall include property on which  
9 the bank plans to make improvements to establish a banking  
10 branch. The application shall include the legal description of  
11 the property to be designated.

12 The State Treasurer shall issue a determination on the  
13 application within 60 days after receiving the application. If  
14 an application is approved, the State Treasurer shall transmit  
15 notification of the approval and a copy of all application  
16 materials to the applicants, the Commissioner of the Office of  
17 Banks and Real Estate, the Governor, the State Comptroller, the  
18 Director of Commerce and Community Affairs, the President of  
19 the Senate, the Speaker of the House of Representatives, and  
20 the clerk of the county in which the property is located.

21 Section 20. Existing facilities. Notwithstanding any  
22 other provision of law, an application may be submitted by a  
23 local government in conjunction with a bank that has already  
24 opened a branch within the area of the proposed district. In  
25 considering the criteria authorized under Section 5, the State  
26 Treasurer must also take into account the importance and  
27 benefits of preserving the banking services offered by the  
28 existing branch.

29 Section 25. Abatement under the Property Tax Code. Upon  
30 designation of the banking development district by the State  
31 Treasurer, the property of a bank located within a banking  
32 development district may be eligible for a tax abatement under  
33 Section 18-167 of the Property Tax Code.

1 Section 905. The Property Tax Code is amended by adding  
2 Section 18-167 as follows:

3 (35 ILCS 200/18-167 new)

4 Sec. 18-167. Abatement of taxes in a banking district.

5 (a) Definitions. For purposes of this Section, "bank" means  
6 that term as defined in the Banking Development District Act.

7 (b) Any taxing district, upon a majority vote of its  
8 governing authority, may, after the determination of the  
9 assessed valuation of its property, adopt an ordinance or  
10 resolution ordering the clerk of the county or counties in  
11 which the taxing district is located to abate a portion of the  
12 taxing district's taxes on property of a bank that is used as a  
13 banking branch in an area designated as a banking development  
14 district under the Banking Development District Act. Before  
15 ordering the abatement, the taxing district must hold a public  
16 hearing regarding the proposed abatement.

17 (i) The base amount of the abatement shall be the taxes  
18 arising from the new improvements or the renovation or  
19 rehabilitation of existing improvements since the  
20 designation of the banking development district, based on  
21 the equalized assessed value attributable to the new  
22 improvements or the renovation or rehabilitation of  
23 existing improvements for the first year they were assessed  
24 as completed as of January 1 of that tax year. Taxes  
25 attributable to increases in assessment due to ordinary  
26 maintenance and repair shall not be abated under this  
27 Section.

28 A copy of an abatement order adopted under this Section  
29 shall be delivered to the county clerk and to the board of  
30 review not later than July 1 of the assessment year to be  
31 first affected by the order. If it is delivered on or after  
32 that date, it will first affect the taxes extended on the  
33 assessment of the following year. The board of review  
34 shall, in the first year of the abatement, notify the bank

1 to be affected and the taxing district granting the  
 2 abatement of the list of parcels affected by an abatement  
 3 under this Section and the assessed value attributable to  
 4 the new improvements or the renovation or rehabilitation of  
 5 existing improvements for the first year they were assessed  
 6 as completed as of January 1 of that tax year. The affected  
 7 bank or taxing district may file a complaint regarding the  
 8 list of parcels and computation within 15 days after the  
 9 mailing of the notification, and shall be given an  
 10 opportunity to be heard. The board of review shall, in the  
 11 first year of the abatement, upon delivering the assessment  
 12 books to the county clerk, also deliver a list of parcels  
 13 affected by an abatement under this Section and the  
 14 assessed value attributable to new improvements or to the  
 15 renovation or rehabilitation of existing improvements for  
 16 the first year they were assessed as completed as of  
 17 January 1 of that tax year.

18 The county clerk shall abate the base amount as  
 19 follows:

	<u>YEAR OF</u>	<u>PERCENTAGE OF BASE</u>
	<u>ABATEMENT</u>	<u>AMOUNT ABATED</u>
22	<u>1</u>	<u>50%</u>
23	<u>2</u>	<u>45%</u>
24	<u>3</u>	<u>40%</u>
25	<u>4</u>	<u>35%</u>
26	<u>5</u>	<u>30%</u>
27	<u>6</u>	<u>25%</u>
28	<u>7</u>	<u>20%</u>
29	<u>8</u>	<u>15%</u>
30	<u>9</u>	<u>10%</u>
31	<u>10</u>	<u>5%</u>

32 (ii) The governing authority of a taxing district may  
 33 abate the property taxes on a banking branch that was  
 34 already in existence when the banking development district  
 35 was created under the Banking Development District Act. The  
 36 county clerk shall abate the taxes in an amount that shall

1 be determined by the governing authority of the taxing  
2 district. The abatement shall not exceed a period of 10  
3 years in duration and 50% of the taxes attributable to the  
4 improvements in amount.

5 (c) If property approved for an abatement under this  
6 Section ceases to be used as a banking branch, that property is  
7 no longer eligible for abatement of taxes. If an abatement is  
8 discontinued under this Section, the taxing district shall  
9 notify the county clerk of the discontinuation in writing no  
10 later than July 1 of the assessment year to be first affected  
11 by the change. If an abatement of taxes is again allowed under  
12 this Section for the same property, the property shall be  
13 eligible for only that portion of the abatement not already  
14 used.

15 (d) Any bank that receives an abatement of taxes under this  
16 Section for a banking branch is prohibited from making a  
17 contribution, as defined in Section 9-1.4 of the Election Code,  
18 to the Governor or the Treasurer in any year in which a banking  
19 branch receives an abatement under this Section.

20 (e) No bank may be approved for an abatement if the bank  
21 made a contribution to either the Governor or the Treasurer  
22 during the 4 years preceding the taxable year for which the  
23 abatement would be granted.

24 Section 999. Effective date. This Act takes effect upon  
25 becoming law.